

DRAFT #5
April 25, 2025

Consolidated Financial Statements of

**THE CORPORATION OF
THE CITY OF BRAMPTON**

And Independent Auditor's Report thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Brampton

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Brampton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Consolidated Statement of Financial Position (Expressed in thousands of dollars)

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash and short-term investments (note 4)	\$ 293,653	\$ 180,810
Taxes receivable	147,875	107,752
User charges receivable	5,127	4,156
Accounts receivable	78,596	68,745
Long-term investments (note 4)	943,906	1,059,364
Other assets	620	8,217
	<u>1,469,777</u>	<u>1,429,044</u>
Financial Liabilities		
Accounts payable and accrued liabilities	238,189	190,383
Capital lease obligation (note 5)	73,571	76,233
Deferred revenue - general (note 7(a))	9,420	10,041
Deferred revenue - obligatory reserve funds (note 7(b))	767,648	696,480
Employee benefits and other liabilities (note 8)	140,035	128,654
Long-term liabilities (note 6)	38,054	39,532
Asset retirement obligation (note 9)	8,818	7,694
	<u>1,275,735</u>	<u>1,149,017</u>
Net financial assets	194,042	280,027
Non-Financial Assets		
Tangible capital assets (note 15)	4,461,720	4,264,069
Inventory and prepaids	17,015	15,122
	<u>4,478,735</u>	<u>4,279,191</u>
Commitments and contingencies (note 16)		
Contractual rights (note 19)		
Credit facility (note 21)		
Accumulated surplus (note 11)	<u>\$ 4,672,777</u>	<u>\$ 4,559,218</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Consolidated Statement of Operations and Accumulated Surplus
(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (notes 1(p) and 17)	2024	2023
Revenue:			
Property taxation	\$ 578,099	\$ 578,273	\$ 545,717
Taxation from other governments	4,152	5,667	4,336
User charges	232,429	244,136	214,825
Government transfers (note 20)	1,088	24,057	29,461
Development levies earned and other restricted capital contributions (note 7(b))	116,100	164,012	222,858
Investment income	1,856	4,594	1,874
Interest earned on reserves	19,307	17,789	16,868
Penalties, fines and interest	41,398	43,196	36,180
Developer contributed tangible capital assets (note 15(b))	94,500	80,555	45,975
Gain on acquisition	—	11,088	-
Other	6,610	9,062	16,051
	1,095,539	1,182,429	1,134,145
Expenses (notes 12 and 18):			
General government	89,767	102,119	106,342
Protection to persons and property	165,958	168,481	146,089
Transportation services	449,573	458,002	438,312
Environmental services	30,281	31,877	30,754
Health services (cemeteries)	855	880	793
Social and family services	5,373	5,606	4,129
Recreation and cultural services	241,694	263,043	227,040
Planning and development services	37,625	38,862	36,314
	1,021,126	1,068,870	989,773
Annual surplus	<u>\$ 74,413</u>	113,559	144,372
Accumulated surplus, beginning of year		4,559,218	4,414,846
Accumulated surplus, end of year		<u>\$ 4,672,777</u>	<u>\$ 4,559,218</u>

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Consolidated Statement of Change in Net Financial Assets (Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (notes 1(p) and 17)	2024	2023
Annual surplus	\$ 74,413	\$ 113,559	\$ 144,372
Acquisition of tangible capital assets	–	(282,301)	(269,712)
Developer contributed tangible capital assets	(94,500)	(80,555)	(45,975)
Amortization of tangible capital assets	158,209	162,449	161,308
Loss on disposal of tangible capital assets	–	2,756	23
Acquisition of inventory and prepaids	–	(24,112)	(19,344)
Use of inventory and prepaids	–	22,219	16,948
Change in net financial assets	138,122	(85,985)	(12,380)
Net financial assets, beginning of year	280,027	280,027	292,407
Net financial assets, end of year	\$ 418,149	\$ 194,042	\$ 280,027

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Consolidated Statement of Cash Flows (Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 113,559	\$ 144,372
Items not involving cash:		
Amortization of tangible capital assets	162,449	161,308
Loss on disposal of tangible capital assets	2,756	23
Developer contributed tangible capital assets	(80,555)	(45,975)
Change in non-cash assets and liabilities:		
Taxes receivable	(40,123)	(33,509)
User charges receivable	(971)	(342)
Accounts receivable and other assets	(2,254)	(19,050)
Accounts payable and accrued liabilities	47,806	44,830
Deferred revenue - general	(621)	(20,512)
Deferred revenue - obligatory reserve funds	71,168	(19,266)
Employee benefits and other liabilities	11,381	6,369
Asset retirement obligation	1,124	—
Inventory and prepaids	(1,893)	(2,396)
	283,826	215,852
Capital activities:		
Acquisition of tangible capital assets	(282,301)	(269,712)
Financing activities:		
Repayment of capital lease obligation, net	(2,662)	(2,469)
Sinking fund deposits made	(1,478)	(1,411)
	(4,140)	(3,880)
Investing activities:		
Net change in long-term investments	115,458	(87,834)
Increase (decrease) in cash and short-term investments	112,843	(145,574)
Cash and short-term investments, beginning of year	180,810	326,384
Cash and short-term investments, end of year	\$ 293,653	\$ 180,810

See accompanying notes to consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements
(Expressed in thousands of dollars)

Year ended December 31, 2024

The Corporation of the City of Brampton (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act, Development Charges Act and related legislation.

1. Significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the City are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprising of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These consolidated financial statements include:

- Brampton Public Library Board (the "Library"); and
- Downtown Brampton Business Improvement Area.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(b) Non-consolidated entities:

The following regional municipality and local boards are not consolidated and should be contacted directly if examination of their annual audited financial statements is desired:

- The Regional Municipality of Peel ("Region of Peel");
- The Peel District School Board;
- The Dufferin-Peel Catholic District School Board;
- Conseil Scolaire de District du Centre-Sud Ouest; and
- Conseil Scolaire de District Catholique Centre-Sud.

Trust funds and their related operations administered by the City are not included in these consolidated financial statements but are reported separately on the trust funds' financial statements.

(c) Accounting for Region and School board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the Region of Peel and the school boards are not reflected in the consolidated financial statements.

(d) Basis of accounting:

The City follows the accrual method of accounting. Under the accrual method of accounting, revenue is recognized in the year in which the transactions or events that gave rise to the revenue occurred.

Expenses are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Cash and short-term investments:

Cash and short-term investments include short-term highly liquid investments with terms to maturity of 90 days or less. Cash and short-term investments are recorded at cost with write down to market when there is a decrease in value.

(f) Long-term investments:

Long-term investments consist of bonds, debentures, and pooled investments meeting the eligibility criteria defined by O. Reg 438/97, and are all recorded at amortized cost.. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to market value to recognize the loss in the consolidated statement of operations and accumulated surplus.

(g) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the organization is directly responsible or accepts responsibility for the liability;
- (iv) future economic benefits will be given up; and
- (v) a reasonable estimate of the liability can be made.

The liability is estimated based upon information that is available when the consolidated financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(h) Non-financial assets:

Non-financial assets include tangible capital assets and inventory and prepaids. They are not available to discharge existing liabilities and are held for use in the provision of services.

Inventory and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, are amortized on a straight-line basis over their estimated useful lives as follows:

Land	Unlimited
Buildings and building improvements	10 - 40
Furniture, computer and office equipment	2 - 20
Infrastructure	10 - 40
Land improvements	10 - 30
Vehicles and machinery	7 - 15
Assets under capital lease	Lesser of useful life and lease term

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(i) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements. The City owns both works of art and historical treasures at various City-owned facilities. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community.

(iii) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(iv) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(j) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(k) Deferred revenue - general:

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

(l) Deferred revenue - obligatory reserve funds:

The City receives gas taxes and transfer payments from other levels of government and development charges under the authority of Provincial Legislation and City By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year they are expended.

(m) Taxation and user charges revenue:

Tax receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. User charges are recognized when measurable and earned.

(n) Investment income:

Investment income earned on available surplus funds is reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(o) Pensions and employee benefits:

- (i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board Act ("WSIB") and life insurance, extended health and dental benefits for early retirees. The costs of sick leave, benefits under WSIB and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates. For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the year they arise.
- (ii) The costs of a multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions which is accounted for as a defined contribution plan, are the employer's defined contributions to the plan in the year.

Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to WSIB are amortized over the average expected year during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the year in which the plan is amended.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(p) Budget figures:

The City budgets for the following items on the consolidated statement of operations and accumulated surplus: interest earned on reserves, developer contributed tangible capital assets and amortization expense.

The City Council completes separate budget reviews for its operating and capital project budgets each year. Both budgets are reflected in the consolidated statement of operations and accumulated surplus.

The operating budget is based on projected operating expenses to be incurred during the current year. Budgets established for capital projects are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

(q) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

(r) Related parties disclosure:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the consolidated financial statements. As at December 31, 2024, there are no such related party transactions to disclose.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(s) Contingent assets:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one of more future events occur that are not within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely. As at December 31, 2024, there are no such contingent assets to disclose.

(t) Contractual rights:

Contractual rights require the disclosure of information in regards to future rights to economic resources arising from contracts or agreements that will result in a future economic benefit. Such disclosure includes the nature, extent and timing of contractual rights. The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources. Contractual rights are reported in note 19.

(u) Assets:

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2024, all material assets have been disclosed and reported within this definition.

(v) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

These obligations represent estimated retirement costs for the City owned buildings, including fuel tanks and restoration costs for leasehold improvements. Asset retirement obligations are recorded on the consolidated financial statements as a liability and are based on accrual accounting. As such, there is no direct cash flow or budgetary impact to the City.

The asset retirement obligation standard applies to all tangible capital assets controlled by the City that have a legal or contractual obligation. It addresses the reporting of legal obligations associated with the retirement of tangible capital assets, both in productive use and not in productive use and controlled by the entity, and the costs associated with the retirement of these assets.

The estimate of the liability associated is measured based on the best estimate of directly attributable expenditures required to settle this obligation. Other costs would also include post-retirement operation, maintenance and monitoring costs required after the asset has been removed from service. To record the obligation, the total liability is added to the carrying value of the associated assets and amortized using straight line basis over the remaining useful life of the asset. As new and updated information is available through maintenance of assets, the estimates for asset retirement obligation would be revised and any updates to the estimated costs of obligation will result in change in carrying value of the assets in productive use to be amortized for the remaining life of the asset.

(w) Newly adopted accounting standards:

Effective January 1, 2024, the City adopted the following standards issued by the PSAB:

- (i) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. The City adopted the standard prospectively. The implementation of this new standard did not have an impact on the amounts presented in the financial statements.
- (ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

1. Significant accounting policies (continued):

- (iii) PS 3160, Public Private Partnerships ("P3"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

2. Future accounting pronouncements:

These standards and amendments were not effective for the year ended December 31, 2024, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

- (a) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 (the City's December 31, 2027 year end).
- (b) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. The City is currently assessing the impact of this standard on the future financial statements. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the City's December 31, 2027 year end).
- (c) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

3. Financial instruments:

Financial instruments are classified in one of the following categories: (i) fair value; or (ii) cost or amortized costs.

Financial instruments measured at fair value are classified according to fair value hierarchy that reflects the importance of the data used to perform each valuation. The fair value hierarchy is made up of the following levels:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amount of cash and short-term investments, long-term investments are disclosed in note 4. Taxes receivable, accounts receivable, user charge receivable, accounts payable and accrued liabilities, employee benefits and other liabilities, and long-term liabilities approximate their fair value due to the short-term maturity of these financial instruments. All the above instruments are classified as Level 1.

There were no transfers between Level 1 and Level 2 for the year ended December 31, 2024. There were also no transfers in or out of Level 3 during the year.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

3. Financial instruments (continued):

Risks arising from financial instruments and risk management:

The City is exposed to a variety of financial risks including credit risk, liquidity risk and market risk:

(a) Credit risk:

Credit risk is the risk that a security issuer or counterparty will be unable to pay amounts in full when due. The City's principal financial assets are cash, accounts receivable and investments, which are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the City's maximum credit exposure as at the consolidated statement of financial position date.

The City's credit risk is primarily attributable to its receivables. The amounts disclosed in the consolidated statement of financial position are net of an allowance for doubtful accounts, estimated by management of the City. The City does not have any significant past due accounts receivable that are not provided for.

As at December 31, 2024, there were no significant balances of accounts receivable due from any single customer. There was \$13 (2023 - \$108) of write-offs during the year which were approved by the City Council. There were no write-offs during the year related to section 354 of the Municipal Act, 2001. The City actively monitors accounts receivable and has the right to enforce payment as per the contract.

The credit risk on cash and investments is limited because the counterparties are chartered banks and government institutions with high credit ratings assigned by national credit rating agencies.

(b) Liquidity risk:

Liquidity risk results from the City's potential inability to meet its obligations associated with the financial liabilities as they come due. The City monitors its operations and cash flows to ensure current and future obligations will be met. The City believes its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations. The maturity analysis of the City's long-term debt is described in note 6. The majority of the accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

3. Financial instruments (continued):

(c) Market risk:

Market risk comprises of three types of risk: Interest rate risk, other price risk and currency risk.

The effect that changing interest rates have on the present value of a fixed-income security is the interest rate risk.

While the current market value of the City's fixed income portfolio is lower than that of the book value, it doesn't pose any risk of realized loss as the City mostly holds the portfolio to maturity. The City's laddered investment approach for the fixed income portfolio allows a healthy amount of maturity every year to be used for either liquidity purposes or for re-investment.

The City is not exposed to any significant currency risk due to limited foreign currency transactions.

4. Cash and investments:

Cash and short-term investments of \$293,653 (2023 - \$180,810) includes short-term investments of \$199,694 (2023 - \$136,863) with a market value \$199,696 (2023 - \$136,812) at the end of the year.

Long-term investments of \$943,906 (2023 - \$1,059,364) have a market value of \$923,718 (2023 - \$1,011,590) at the end of the year.

As at December 31, 2024, the City's long-term investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

5. Capital lease obligation:

In 2014, the City entered into a capital lease arrangement (the "agreement") for the City Hall West Tower.

The agreement requires equal monthly lease payments over a period of 25 years until 2039. At the expiry of the agreement, the legal title of the building will be transferred to the City.

Annual lease payments under the agreement are as follows:

2025	\$	8,354
2026		8,354
2027		8,354
2028		8,354
2029		8,354
2030 and thereafter		80,054
Total minimum lease payments		121,824
Less amount representing implicit interest at 7.59%		48,253
Capital lease obligation		\$ 73,571

Included in interest expense reported in the consolidated statement of operations and accumulated surplus is \$5,691 (2023 - \$5,885) for interest expense related to the capital lease obligation.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2024

6. Long-term liabilities:

The City has long-term debt managed and issued by the Region of Peel. The City has the responsibility for the annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2024	2023
Unsecured debenture issued in 2019 by Region of Peel on behalf of the City, bearing interest at 3.85%, maturing on 2042	\$ 24,554	\$ 24,554
Unsecured debenture issued in 2021 by Regional of Peel on behalf of the City, bearing interest at 2.5%, maturing on 2042	18,471	18,471
	43,025	43,025
Less sinking fund deposits bearing interest at 2.5%	4,971	3,493
	\$ 38,054	\$ 39,532

Actuarially determined funding contribution requirements for the next six years and thereafter are as follows:

2025	\$ 1,378
2026	1,399
2027	1,420
2028	1,442
2029	1,464
2030 and thereafter	26,303
Interest to be earned on sinking fund debt	4,648
Unsecured debenture, net of sinking fund deposits	\$ 38,054

Interest expense in the amount of \$1,386 (2023 - \$1,386) has been recognized on the consolidated statement of operations and accumulated surplus. The annual sinking fund deposits and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

7. Deferred revenue:

(a) Deferred revenue - general:

Deferred revenue - general is comprised of user charges for parks and recreation programs, transit advertising revenue applicable for the following year and unspent provincial funding for capital projects. As at December 31, 2024, the deferred revenue - general amounted to \$9,420 (2023 - \$10,041).

(b) Deferred revenue - obligatory reserve funds:

Obligatory reserve funds are to be reported as deferred revenue. This requirement is in place as Federal and Provincial legislation and other City by-laws and agreements may restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

As at December 31, 2024, obligatory reserve funds amounted to \$767,648 (2023 - \$696,480). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments.

Details of these deferred revenue are as follows:

	Opening balance as at January 1, 2024	Amount received including interest	Amount recognized as revenue	Closing balance as at December 31, 2024
Developer Canada Community Building Fund	\$ 412,433	\$ 85,987	\$ 98,580	\$ 399,840
Provincial gas tax	93,205	41,843	20,853	114,195
Other	6,000	26,063	16,907	15,156
	184,842	81,287	27,672	238,457
Total	\$ 696,480	\$ 235,180	\$ 164,012	\$ 767,648

Other deferred revenue includes other obligatory reserves such as developer deposits for subdivision maintenance and future construction.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

8. Employee benefits and other liabilities:

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to cash payment when they leave the City's employment. With respect to responsibilities under provisions of the WSIB, the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these consolidated financial statements.

Employee benefits and other liabilities included in the consolidated financial statements are summarized below:

	2024	2023
WSIB	\$ 35,758	\$ 31,899
Vested sick leave benefits	33,932	31,743
Vacation pay	19,975	15,478
Non-pension post-employment benefits	44,005	41,729
Self-insurance liability	6,307	7,805
Other	58	—
Total	\$ 140,035	\$ 128,654

As at December 31, 2024, the City has allocated reserves and reserve funds of \$6,078 (2023 - \$6,757) to fund some of these obligations. Any additional requirements to fund these obligations will be covered by General Rate Stabilization Reserve.

The most recent full actuarial valuation for WSIB, vested sick leave benefits and non-pension post-employment benefits was performed as at December 31, 2022.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

8. Employee benefits and other liabilities (continued):

The following table sets out the actuarial results for each of the plans as at December 31:

				2024	2023
Item	WSIB	Vested sick leave benefits	Non-pension post-employment benefits	Total	Total
Accrued benefit obligation ("ABO"), beginning of year	\$ 35,460	\$ 41,913	\$ 39,105	\$ 116,478	\$ 110,920
Add:					
Current benefit cost	6,431	4,072	2,112	12,615	11,832
Increase (decrease) due to survivor awards	—	—	—	—	(851)
Interest cost	1,626	1,868	1,764	5,258	4,950
	43,517	47,853	42,981	134,351	126,851
Less current benefit payments	5,072	4,854	1,954	11,880	11,980
ABO, end of year	38,445	42,999	41,027	122,471	114,871
Unamortized actuarial gain (loss)	(2,687)	(9,067)	2,978	(8,776)	(9,500)
Liability for benefits, end of year	\$ 35,758	\$ 33,932	\$ 44,005	\$ 113,695	\$ 105,371

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best significant assumptions and estimates. The following represents the more significant assumptions made:

	WSIB	Vested sick leave benefits	Non-pension post-employment benefits
Expected inflation rate	2.00%	2.00%	2.00%
Expected level of salary increases	n/a	3.00%	3.00%
Interest discount rate	4.50%	4.50%	4.50%
Dental premium rates increase	n/a	n/a	4.00%
Health care premium rates increase	6.00%	n/a	6.00%
Expected average remaining service life	10.19 years	13 years	14 years

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

9. Asset retirement obligation:

An asset retirement obligation of \$8,818 (2023 - \$7,694) was recognized as a long-term obligation in the consolidated statement of financial position. These obligations represent estimated retirement costs for City owned buildings, including fuel tanks and restoration costs for leasehold improvements. Majority of these obligations are related to the removal and disposal of designated substances such as asbestos from buildings. The buildings have an expected useful life of 40 years, and the estimate has not changed since purchase.

Changes to the asset retirement obligation in 2024 are as follows:

	Buildings	Tanks	Lease agreements	Total
Opening balance	\$ 7,368	\$ 300	\$ 26	\$ 7,694
Obligation incurred in year	1,014	150	–	1,164
Obligation settled in year	(14)	–	(26)	(40)
Closing balance	\$ 8,368	\$ 450	\$ –	\$ 8,818

10. Pension agreements:

The City makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay. The City accounts for its participation in OMERS, as a defined contribution plan.

The amount contributed to OMERS for 2024 was \$35,267 (2023 - \$34,021) for current service and is included as an expense on the consolidated statement of operations and accumulated surplus. Employee contributions totaled \$35,267 (2023 - \$34,021).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2024 of \$2.9 billion (2023 - \$4.2 billion) based on an actuarial valuation of plan assets.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2024

11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus, including funds committed for capital projects, and reserves and reserve funds as follows:

	2024	2023
Tangible capital assets	\$ 4,461,720	\$ 4,264,069
Deficit funds from committed capital projects and other	(348,606)	(261,058)
	4,113,114	4,003,011
Reserves	86,242	98,708
Reserve funds	473,421	457,499
Total	\$ 4,672,777	\$ 4,559,218

12. Expenses by object:

The following is a summary of the expenses reported on the consolidated statement of operations and accumulated surplus by object:

	Budget 2024	2024	2023
Salaries, wages and fringe benefits	\$ 571,286	\$ 575,380	\$ 507,634
Amortization of tangible capital assets (note 15)	158,209	162,449	161,308
Contracted services	137,807	163,668	162,048
Materials and supplies	122,652	133,757	117,790
Rents and financial expenses	26,690	26,007	25,005
Government transfers	4,482	4,853	15,950
Other	—	2,756	38
Total expenses	\$ 1,021,126	\$ 1,068,870	\$ 989,773

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

13. Trust funds:

Trust funds administered by the City amounted to \$31,488 (2023 - \$32,015) are presented in the separate financial statements of trust funds balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated statement of financial position or operations and accumulated surplus.

The City administers the following trust funds:

- Cemeteries Care and Maintenance Trust;
- Developers' Performance Deposits Trust;
- Developer Front End Financing Trust;
- Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance;
and
- Brampton Sports Hall of Fame.

14. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up to \$1,000. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

Claims settled during the year amounting to \$6,306 (2023 - \$4,477) have been provided for from the General Rate Stabilization Reserve, and are accordingly reported as expenses on the consolidated statement of operations and accumulated surplus with a corresponding liability recorded on the consolidated statement of financial position.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has assessed the likelihood of the success of the claim as more likely than not and where a reasonable estimate as to the exposure can be made, an accrual has been recorded in these consolidated financial statements. In some instances, the ultimate outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated statement of financial position.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2024

15. Tangible capital assets:

The City has identified following major asset categories: land; asset under capital lease; buildings and building improvements; furniture, computer and office equipment; infrastructure; land improvements and vehicles and machinery.

	2023	Additions	Disposals	Transfers	2024
Cost					
Land	\$ 1,793,431	\$ 16,140	\$ –	\$ –	\$ 1,809,571
Asset under capital lease	93,526	–	(26)	–	93,500
Buildings and building improvements	957,588	135,169	(15,096)	–	1,077,661
Furniture, computer and office equipment	75,689	16,426	(10,416)	–	81,699
Infrastructure	2,688,174	95,040	(2,478)	–	2,780,736
Land improvements	141,807	7,709	(1,070)	–	148,446
Vehicles and machinery	472,022	70,179	(11,781)	–	530,420
Assets under construction	253,721	264,875	–	(242,682)	275,914
Total	\$ 6,475,958	\$ 605,538	\$ (40,867)	\$ (242,682)	\$ 6,797,947

	2023	Amortization	Disposals	Transfers	2024
Accumulated amortization					
Land	\$ –	\$ –	\$ –	\$ –	\$ –
Asset under capital lease	35,244	3,740	(26)	–	38,958
Buildings and building improvements	489,548	40,115	(12,470)	–	517,193
Furniture, computer and office equipment	42,259	10,586	(10,398)	–	42,447
Infrastructure	1,249,816	72,544	(2,478)	–	1,319,882
Land improvements	71,397	6,778	(2,078)	–	76,097
Vehicles and machinery	323,625	28,686	(10,661)	–	341,650
Total	\$ 2,211,889	\$ 162,449	\$ (38,111)	\$ –	\$ 2,336,227

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

15. Tangible capital assets (continued):

	2024	2023
Net book value		
Land	\$ 1,809,571	\$ 1,793,431
Asset under capital lease	54,542	58,282
Buildings and building improvements	560,468	468,040
Furniture, computer and office equipment	39,252	33,430
Infrastructure	1,460,854	1,438,358
Land improvements	72,349	70,410
Vehicles and machinery	188,770	148,397
Assets under construction	275,914	253,721
Total	\$ 4,461,720	\$ 4,264,069

(a) Assets under construction:

Assets under construction having a value of \$275,914 (2023 - \$253,721) have not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed capital assets are comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$80,555 (2023 - \$45,975).

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

16. Commitments and contingencies:

(a) Commitment for operating leases:

The City leases facilities and equipment under operating leases expiring beyond 2030. The minimum amounts payable under these arrangements are as follows:

2025	\$ 15,479
2026	13,261
2027	11,155
2028	10,427
2029	7,762
2030 and thereafter	8,317
	<hr/>
	\$ 66,401

Excluded from these amounts is the capital lease obligation reported in note 5.

(b) Contingent legal liabilities:

As at December 31, 2024, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has recorded a liability for certain uninsured claims, but has made no specific provision for those where the outcome is presently indeterminable. See notes 8 and 14.

17. Budget data:

Budget data presented in these consolidated financial statements are based upon the 2024 operating and capital budgets as approved by Council and adopted by the City at the December 13, 2023 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the components of full accrual basis of accounting. The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

17. Budget data (continued):

Revenue

Approved operating budget	\$ 912,578
Less contributions from reserve fund	47,346
Add:	
Other	400
Development levies earned and other restricted capital contributions	116,100
Interest earned on reserves	19,307
Developer contributed tangible capital assets	94,500
	<u>230,307</u>

Total reported on consolidated financial statements	\$ 1,095,539
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Expenses

Approved operating budget	\$ 912,578
Less contributions to reserve funds	141,236
Add:	
Other	8,575
Operating projects budget	83,000
Amortization	158,209
	<u>249,784</u>

Total reported on consolidated financial statements	\$ 1,021,126
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THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

18. Segmented information:

The City is a multifaceted municipal government that delivers a wide range of services that enhance quality of life to its citizens. For additional information see the consolidated schedule of segment disclosure.

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation and user fees. Taxation revenue is allocated to the general government segment. Certain government grants, user charges and other revenue have been allocated based upon the same allocation as the related expenses. User fees are allocated based upon the segment that generated the fee.

City services are provided by various divisions whose activities are organized in the following segments for management reporting purposes:

(a) General government:

General government is comprised of Mayor and Councillor's as well as Corporate Management and Support sections.

The departments within Corporate Management and Support sections are responsible for adopting bylaws and administrative policies; risk management; providing effective financial reporting, planning and controls; developing and maintaining flexible computer networks and resources to deliver information and telecommunications to City employees and the citizens of Brampton; acquiring, managing and disposing City assets; levying and collecting taxes.

(b) Protection to persons and property:

Protection services delivers Fire Emergency Services, By-law and Enforcement and Provincial Offences Act administration. The mandate of the Fire department is to provide fire protection and emergency response but also superior level of Fire Prevention and Public Education. By-law and Enforcement assist in maintaining Brampton as a safe, healthy and attractive City by responding to public concerns, patrolling City property and enforcing the City's by-laws.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

18. Segmented information (continued):

Provincial Offences Act mandate encompass the administration and prosecution of provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

(c) Transportation services:

The Works department manages various infrastructure projects as part of a 10-year capital program to expand and improve the City's road network and transportation infrastructure. In addition, major functions also include maintenance of road system (road resurfacing and snow clearing) and all associated infrastructure such as sidewalks, bridges and curbs.

Brampton Transit is responsible for providing efficient and effective local public transportation service.

(d) Environmental services:

Environmental services are delivered by staff in the Works department. Primary responsibility of this section is catch basin and storm sewer maintenance. In addition, the department performs watercourse maintenance in order to ensure public safety and environmental controls are in place. Watercourse maintenance activities include controlling erosion, the removal of garbage and debris and responding to spills and illegal dumping to ensure water quality and proper cleanup.

(e) Health, social and family services:

Health, social and family services comprised cemetery operations and assistance to aged persons. Assistance to aged persons includes senior's education tax rebate, senior snow clearing subsidy as well as maintenance of seniors centre.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

18. Segmented information (continued):

(f) Recreation and cultural services:

The community services department is responsible for the delivery of Parks, Recreation and Cultural services. The Parks Operations division maintains all parks, boulevards, sports fields, trees, horticultural displays, pathways and open space. This division provides the residents of Brampton with safe, attractive, outdoor facilities delivered through a highly skilled and versatile workforce.

The Recreation and Culture division is responsible for the delivery of all culture and recreation programs offered by the City and the day-to-day operation of all theatres and recreation buildings. This division provides the City's front-line contact with the citizens of Brampton in Culture, Recreation Facilities and Programs providing many activities that enhance the richness and quality of life for residents.

This section also contributes towards the information needs of the City's citizens through the provision of library services by the Library.

(g) Planning and development services:

The Planning and Development Department responsibilities encompass planning, design and development approvals, management of building permit processes, long-range Brampton official plan and growth management. This department is also responsible for providing advice to City Council, the public, and the development/building industry with respect to a broad range of land use planning, development applications, urban design, public buildings and open space/facility development issues, development engineering and transportation planning.

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2024

18. Segmented information (continued):

Consolidated schedule of segment disclosure:

	2024							2023
	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	Total
Revenue:								Total
Property taxation and taxation from other governments	\$ 583,557	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 383	\$ 583,940
User charges	35,402	22,210	128,346	—	—	42,320	15,303	244,136
Government transfers (note 20)	15,515	2,752	334	—	555	2,091	3,255	214,825
Development levies earned and other restricted capital contributions	10,989	3,772	87,419	1,312	1,804	57,732	984	24,057
Investment income (including reserves and reserve funds)	21,620	—	—	—	—	728	35	164,012
Penalties, fines and interest	25,804	17,037	—	—	—	355	—	22,383
Developer contributed tangible capital assets	—	—	80,555	—	—	—	—	43,196
Gain on acquisition	—	—	—	—	—	11,088	—	80,555
Other	1,797	66	4,004	—	69	1,517	1,609	11,088
	694,684	45,837	300,658	1,312	2,538	115,831	21,569	9,062
								1,182,429
Expenses (income) (note 12):								1,134,145
Salaries, wages and fringe benefits	105,780	128,195	204,426	3,637	2,422	111,866	19,054	575,380
Materials and supplies	26,271	6,127	75,619	122	528	19,944	5,146	133,757
Contracted services	47,721	9,382	51,764	6,603	275	38,528	9,395	137,790
Rents and financial expenses	14,162	312	10,676	—	14	799	44	163,668
Allocation of corporate expenses to segments	(106,073)	12,341	32,425	1,367	382	57,532	2,026	26,007
Government transfers	577	—	—	—	2,438	163	—	—
Amortization	10,989	12,061	83,092	20,148	427	34,210	1,522	4,853
Other	2,692	63	—	—	—	1	—	15,950
	102,119	168,481	458,002	31,877	6,486	263,043	38,862	162,449
								2,756
								38
Annual surplus (deficit)	\$ 592,565	\$ (122,644)	\$ (157,344)	\$ (30,565)	\$ (3,948)	\$ (147,212)	\$ (17,293)	\$ 113,559
								\$ 144,372

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2024

19. Contractual rights:

The City is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

Future revenue from incoming lease agreements for City-owned properties are approximately \$17,002 (2023 - \$17,147). The City also has a number of material Federal and Provincial funding agreements with estimated future funding of approximately \$159,570 (2023 - \$193,765).

The timing of these funding agreements is as follows:

2025	\$ 40,423
2026	39,181
2027	39,983
2028	39,983
	<hr/>
	\$ 159,570

20. Government transfers:

Transfers from other governments recognized in the current year:

	2024	2023
General government	\$ 15,515	\$ 8,442
Protection to persons and property	2,752	3,983
Transportation services	334	11,814
Environmental services	—	7
Health, social and family services	110	89
Recreation and cultural services	2,091	3,018
Planning and development services	3,255	2,108
Total funding	<hr/> \$ 24,057	<hr/> \$ 29,461

THE CORPORATION OF THE CITY OF BRAMPTON

DRAFT Notes to Consolidated Financial Statements (continued)
(Expressed in thousands of dollars)

Year ended December 31, 2024

21. Credit facility:

On March 29, 2022, City Council approved the credit facility arrangement with the Canada Infrastructure Bank ("CIB") for financing of Zero Emission Buses ("ZEBs") in the amount of up to \$400 million between January 1, 2022 and December 31, 2027. The CIB is charging the City an interest rate of 1% on funding accessed through the credit facility. Repayment term is 15-years for each round of financing discharged by CIB to the City. Repayments of borrowing through the credit facility arrangement will be funded by operating savings realized as a result of fleet conversion to ZEBs. As at December 31, 2024, there have been no draws against this credit facility.

22. Brampton Municipal Holdings Inc.:

Brampton Municipal Holdings Inc. was incorporated during the year for the purpose of providing Brampton with enhanced capabilities to manage, finance and execute large scale projects, ensuring better service delivery, financial sustainability and cost savings. There were no transactions incurred during the year for this new entity.